

ARIZONA HOUSE OF REPRESENTATIVES
Fifty-second Legislature – First Regular Session

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HOUSE AD HOC COMMITTEE ON MANDATORY AUTO LIABILITY INSURANCE

Report of Ad Hoc Meeting
Wednesday, October 19, 2016
House Hearing Room 3 -- 1:30 p.m.

Convened 1:39 p.m.

Recessed

Reconvened

Adjourned 2:11 p.m.

Members Present

Rep. David Livingston
Rep. Eric Meyer
Mr. John Meza
Mr. Kenneth Silverman
Mr. J. Tyrrell Taber
Rep. Bob Robson, Chairman

Members Absent

Ms. Sue Diaz

Agenda

Original Agenda – Attachment 1

Discussion & Overview

Name

Organization

Attachments (Handouts)

Paul Benny

House Analyst, Review of Insurance
Research Council's 2014 Uninsured
Motorist Report

David Childers

Property Casualty Insurance, Auto
Liability Insurance

Committee Action

Action

Vote

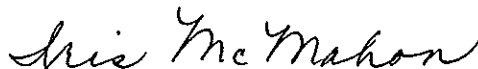
Attachments (Summaries,
Amendments, Attendance)

Rep. Motion, 2nd John Meza, All accepted
Meyer

Approved 2

Committee Attendance

3



Iris McMahon, Chairman Assistant
October 20, 2016

Interim agendas can be obtained via the Internet at <http://www.azleg.state.az.us/InterimCommittees.asp>

ARIZONA HOUSE OF REPRESENTATIVES

INTERIM MEETING NOTICE **OPEN TO THE PUBLIC**

HOUSE AD HOC COMMITTEE ON MANDATORY AUTO LIABILITY INSURANCE

Date: Wednesday, October 19, 2016

Time: 1:30 P.M.

Place: HHR 3

AGENDA

1. Call to Order
2. Review of Insurance Research Council's 2014 Uninsured Motorist Report
3. Discussion on Auto Liability Insurance
4. Public Testimony
5. Committee Recommendation
6. Adjourn

Members:

Representative Bob Robson, Chairman
Representative David Livingston
Representative Eric Meyer
Sue Diaz

John Meza
Kenneth Silverman
J. Tyrrell Taber

10/13/16
JY

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Arizona House of Representatives Phoenix, Arizona 85007

Ad Hoc Committee on Mandatory Auto Liability Insurance

Recommendation- Increase current auto liability minimum limits of 15/30/10 to 25/50/25.

The Committee has discussed and reviewed the statutory minimum coverage limits for auto liability policies. Having heard from state and local agencies, representatives from insurance industries, and reviewed data regarding estimates of uninsured and costs relating to liability damages, the committee concludes:

- The minimum coverage limits of 15/30/10 have remained in effect since 1972 and may not be adequate to sufficiently cover current liability damages as costs have increased due in-part to inflation.
- In FY 2014-16, ADOT's Insurance Recovery Unit had incurred \$16 million in property damage as a result of automotive accidents of which \$6 million is unrecoverable. Of the \$6 million, 14% is a result of uninsured motorists.
- According to the Insurance Information institute, 30 states have minimum Bodily Injury coverage of 25/50, while 7 (including Arizona) have Bodily Injury coverage of 15/30.

With this, the Ad Hoc Committee on Mandatory Auto Liability Insurance respectfully recommends that the auto liability minimum limits be increased to reflect 25/50/25 coverages.

Furthermore, the committee recommends that any proposed legislation increasing the limits include a provision allowing current consumers who purchased 15/30/10 coverage be maintained until such time as they purchase a new vehicle or purchase a new insurance policy. Additionally, the proposed legislation should contain a delayed effective date as to allow insurance producers time to update policies to reflect the increase.

ARIZONA STATE LEGISLATURE
Fifty-second Legislature - Second Regular Session

INTERIM COMMITTEE ATTENDANCE RECORD

COMMITTEE ON Ad Hoc Committee on Mandatory Auto Liability Insurance

CHAIRMAN: Rep. Bob Robson VICE-CHAIRMAN: _____

DATE	10/19/16	/16	/16	/16	/16
CONVENED	1:39pm	m	m	m	m
RECESSED					
RECONVENED					
ADJOURNED	2:11 pm				
MEMBERS					
Rep. David Livingston	✓				
Rep. Eric Meyer	✓				
Sue Diaz	---				
John Meza	✓				
Kenneth Silverman	✓				
J. Tyrrell Taber	✓				
Rep. Bob Robson, Chairman	✓				

✓ Present --- Absent exc Excused